

Message Text

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PAGE 01 TEHRAN 00760 250828Z
ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 XMB-02
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ROME FOR RCAA DWOR

E.O.11652: N/A
TAGS: EAIR, ENGR, BGEN, FR, IR
SUBJ: IRAN AIR FLEET EXPANSION: OIL BARTER
PROPOSED

REF: (A) 76 TEHRAN 11336, (B) 76 ROME 20404

1. OFFICIALS OF MCDONNELL DOUGLAS--LED BY CHARLES CONRAD, JR.,
VICE PRESIDENT, INTERNATIONAL COMMERCIAL SALES--MET WITH CHARGE
AND OTHER EMBASSY OFFICIALS JANUARY 24 RE PROSPECTS FOR SALE
TO IRAN AIR OF FOURTEEN DC-10 (SERIES 10) PLUS SPARES AND
MAINTENANCE OVER EIGHT-YEAR PERIOD BEGINNING SPRING OF 1978,
AT PRICE TAG OF APPROXIMATELY \$500 MILLION. MCDONNELL DOUGLAS
IS IN COMPETITION WITH OTHER AIRCRAFT SUPPLIERS, INCLUDING
BOEING AND AIRBUS INDUSTRIE OF FRANCE. SUCCESSFUL SELLER
WOULD ALSO AGREE TO WETLEASE TWO SIMILAR AIRCRAFT TO IRAN AIR
ON OR ABOUT AUGUST 1977.

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PAGE 02 TEHRAN 00760 250828Z

2. LATE LAST YEAR MCDONNELL DOUGLAS, WHICH APPARENTLY
HAS ACTIVE BARTER SECTION, ASKED IRAN AIR OFFICIALS
WHETHER THEY WOULD BE INTERESTED IN BARTER. JUST BEFORE
CHRISTMAS, IRAN AIR CABLED AFFIRMATIVE REPLY AND INDICATED
SIMILAR MESSAGE SENT OTHER SUPPLIERS. SUBSEQUENTLY, U.S.
FIRM DISCUSSED BARTER WITH SHELL (INCLUDING RAPIER DEAL)
AND MOBIL. SHELL INDICATED THEY NOT ENAMORED OF DEAL

WHICH CONSUMMATED UNDER PRESSURE BY BRITISH GOVERNMENT BUT STATED THEY ALWAYS WILLING TO CONSIDER BUSINESS. SUGGESTED MCDONNELL DOUGLAS COME BACK QUOTE WHEN FIRM CONTRACT SIGNED UNQUOTE TO TALK OVER POSSIBILITIES. MOBIL REGISTERED DISINTEREST.

3. ON CURRENT VISIT, MCDONNELL DOUGLAS OFFICIALS MET WITH GENERAL KHADEMI OF IRAN AIR AND HAVE RECEIVED QUESTIONNAIRE TO BE FILLED OUT AND RETURNED BY FEBRUARY 18 WHICH INCLUDES SPECIFIC QUESTION RE WILLINGNESS TO BARTER. COMPANY OFFICIALS PLAN TO RETURN PRIOR FEBRUARY 18 DEADLINE. DECISION OF IRAN AIR PURCHASE EXPECTED IN MARCH. THEY WERE ADMONISHED NOT TO DISCUSS BARTER PROPOSAL WITH OTHERS IN IRAN. FOLLOWING AWARD, SUCCESSFUL SELLER PRESUMABLY WOULD WORK OUT ACCEPTABLE OIL BARTER ARRANGEMENT.

4. CONRAD INDICATED FRENCH A-300 HAS DISTINCT EDGE IN PRICE, FINANCING AND CURRENT AVAILABILITY DUE SLOW SALES AND ANTICIPATED FRENCH GOVERNMENT SUPPORT OF SUPPLIER'S INVESTMENT.

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Message Attributes

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Copy: SINGLE
Sent Date: 25-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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